

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
AUGUST 20, 2019**

ITEM 2

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION TO DELEGATE AUTHORITIES FOR THE ADMINISTRATION OF GENERAL FUND ALLOCATIONS FROM THE BUDGET ACTS OF 2018 AND 2019

DISCUSSION

Item 3940-101-0001 of Section 2.00 of Assembly Bill (AB) 74 (Stats. 2019, ch. 23), Budget Act of 2019, included Provisions 1, 2, 2.5 and 2.6 (hereafter referred to as “Provision 1”, “Provision 2”, “Provision 2.5”, and “Provision 2.6”, respectively). The funds appropriated in Provisions 1, 2, 2.5, and 2.6 will be available for encumbrance until June 30, 2021.

Provision 1 appropriated \$1 million from the General Fund to the State Water Resources Control Board (State Water Board) “to provide grants or contracts to address safe drinking water emergencies in disadvantaged communities and disadvantaged households, including, but not limited to, provision of interim alternate drinking water supplies including bottled or hauled water, and emergency improvements or repairs to existing water systems, such as well rehabilitation or replacement, extension of service, consolidation projects, or treatment systems.”

Provision 2 appropriated \$2 million from the General Fund “to cover planning costs for recovery from the 2017 and 2018 wildfires and any future wildfires.”

Provision 2.5 appropriated \$10 million from the General Fund “to provide emergency funding for projects to water and wastewater service providers serving disadvantaged communities for the following purposes: (1) to evaluate, address and repair the failure of critical components of drinking water or waste water systems; and (2) to fund critical operation & maintenance activities that are cost prohibitive considering the population and median household income of the community served by the system.”

Provision 2.6 appropriated \$18.5 million from the General Fund to fund ten specific water projects, which are listed in Provision 2.6, parts (a) through (j).

Item 3940-101-0001 of Section 2.00 of Senate Bill (SB) 862 (Stats. 2018, ch. 449), Budget Act of 2018, included Provision 6 (hereafter referred to as “Provision 6”). Provision 6 appropriated \$10 million from the General Fund “to provide emergency relief grants to households to fund well replacement, septic system replacement, permanent connections to public systems, well or septic abandonment, point-of-use and point-of-entry treatment systems, and debt relief for households who have financed well replacement as a result of the drought emergency.” Additionally, Provision 6 directs that, of the \$10 million dollars appropriated, \$750,000 shall be used to “create a pilot

program to provide grants for wells and septic replacements in households affected by the wildfire and not covered by insurance.” The funds appropriated in Provision 6 will be available for encumbrance through June 30, 2020.

Most of these general fund appropriations support similar projects to one or more of the following programs currently administered by DFA: the Cleanup and Abatement Account; Drinking Water and Clean Water State Revolving Fund programs; previous general fund appropriations; and the Underground Storage Tank Cleanup Fund. For administrative efficiency, or to ensure a project has sufficient funding, DFA will identify opportunities to combine funding from the general fund appropriations with funding available from the aforementioned programs.

DFA staff anticipate that the majority of the funding from these appropriations will be awarded through grants, although there may be some cases in which contracts may be utilized. The proposed resolution would delegate necessary authorities for the administration of these General Fund allocations.

POLICY ISSUE

Should the State Water Board:

1. Authorize the Deputy Director of DFA, or his or her designee, to approve or deny funding, without limitation on funding amount per project or program, for projects or programs consistent with Provisions 1, 2, 2.5, 2.6, and 6; and to execute agreements and amendments thereto to disburse funds for such projects or programs; and to perform all acts and to do all things necessary and convenient to facilitate the implementation of such agreements?
2. Authorize the Executive Director, or his or her designee, or the Deputy Director of DFA, or his or her designee, to execute contracts and amendments, without limitation on funding amount per project or program, for projects or programs consistent with Provisions 1, 2, 2.5, 2.6, and 6; and to perform all the acts and implement all measures necessary to fulfill the objectives of such contracts?

FISCAL IMPACT

The Budget Acts of 2018 and 2019 allow the State Water Board to use up to five (5) percent of the amount appropriated for administrative costs, however, no authority to hire additional staff for funding administration was provided. DFA will have to redirect staff from other funding programs to administer the funds.

REGIONAL WATER BOARD / DISTRICT OFFICE IMPACT

Minor impacts. The Division of Drinking Water District Offices and Regional Water Quality Control Boards will assist in coordinating with impacted communities that are potentially eligible for funding.

HUMAN RIGHT TO WATER ANALYSIS

The actions proposed under this item are consistent with the established policy of the State recognizing the human right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (human right to water; Water Code section 106.3). The proposed actions are also consistent with [Resolution No. 2016-0010](#), in which the State Water Board adopted the human right to water as a core value and top priority. Staff have determined that the proposed actions support the human right to water by providing funding to ensure California's economically disadvantaged citizens have adequate access to clean drinking water.

STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed Resolution.